

Insert "A"

Sale of property to Jeffrey Tisherman for \$1,350,000, subject to overbidding. Escrow for the sale of the property has been opened with First American Title Company, which will close by October 5, 2009, subject to Bankruptcy Court approval. Property is encumbered by: (i) a first priority deed of trust in favor of the Orange County Performing Arts Center in the approximate amount of \$450,000.00, and (ii) a second priority deed of trust in favor of City National Bank to secure among other things a promissory note in the face amount \$500,000.00. Trustee seeks authority to pay valid secured creditor claims directly from escrow. Trustee also seeks to pay brokers' commissions (up to 5% of the sales price) and costs of sale directly from the escrow. Trustee also seeks authorization to abandon office furnishings of inconsequential value contained at the property.

PROPOSED OVERBID PROCEDURES

A. Only a qualified bidder may submit an overbid. A "qualified bidder" is an individual or entity that provides a financial statement and such business and banking references as are required in the Trustee's reasonable discretion to assure the Trustee of the bidder's ability to consummate the purchase of the Warner Avenue Property, and one who can consummate the purchase of the property on the same terms and conditions, other than price, as those proposed in the Sales Agreement.

B. Each bid, as well as information and/or documentation establishing a bidder's qualification as a "qualified bidder," must be received by the Trustee no later than 4:00 p.m., two (2) business days prior to the September 22, 2009 hearing on this Motion.

C. The initial minimum overbid must be at least \$25,000.00 over the amount of the proposed sale price, which results in a minimum initial overbid of \$1,375,000. Subsequent overbids shall be in increments as determined by the Court, but the Trustee suggests minimum increments of \$1,000.

D. Each bid must be all cash, non-contingent, and on the same terms and conditions, other than price, as those proposed in the current Sales Agreement between the Trustee and Mr. Tisherman.

E. Each bidder must make an earnest money deposit of at least \$150,000.00 which must be tendered to the Trustee by no later than 4:00 p.m. on the second business day prior to the hearing on this Motion. The deposit must be in the form of a cashier's check, certified check or irrevocable letter of credit.